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NEWMINE DEVELOPMENT LTD. (N. P. L.)



DIRECTORS' REPORT TO THE SHAREHOLDERS
NOTICE OF MEETING
INFORMATION CIRCULAR
FINANCIAL STATEMENTS

NEWMINE DEVELOPMENT LTD. (N.P.L.)
VANCOUVER, B.C.

DIRECTORS' REPORT TO SHAREHOLDERS

Your Directors are pleased to present the Company's Auditor's Report and Financial Statements for the period ended October 31, 1969.

Although the Company is a relatively new Company, it has made substantial progress in a very short period of time. To illustrate the progress we will review the status of the various projects in which it is participating.

The Information Circular which is enclosed contains the details of the property acquisitions and contracts of the Company from the date of incorporation to December 31, 1969 and forms part of this Report.

On February 26, 1970, the shares of your Company were listed and have been trading on the interim section of the Vancouver Stock Exchange. Under the terms of the Interim Listing Agreement the Company has twelve months from the date of listing to qualify for fully listed status on the Vancouver Stock Exchange and Management is endeavouring to provide the Company with sufficient substantial undertakings to qualify the Company for fully listed status.

The Company has 50 Claims (Ski Group) in the Highland Valley Area of British Columbia on which a grid system and induced polarization survey was completed over some of the Claims. This survey revealed two anomalous areas. Work will be done on these Claims during the current season.

The Company's Judy Group of Claims is located 25 miles north of Merritt. A grid system was located on the property and a geochemical survey was conducted over the grid pattern. Further exploration work consisting of geological mapping, ground magnetometer and EM survey as recommended by the Company's engineer will be done on this property during the current year.

Doctor Samuel J. T. Kirkland has provided the Company with a geological report on the Company's Pheasant #1 Permit at Milton Lake, Saskatchewan in which a three-phase exploration programme is recommended to test the uranium potential of the Permit area. The first phase comprising a geological study and airborne radiometric survey, using multi-channel gamma ray spectrometer equipment providing measurements of uranium, thorium, potassium, and total radioactivity has been completed. Simultaneously with the radiometric survey an airborne electro-magnetic and magnetic survey was conducted. The radiometric survey has revealed 31 radiometric anomalies and 20 of these have close spatial relationship to probable fault zones including two major regional fault systems. Structural features in the Permit area are similar to those in which pitchblende type uranium deposits have been found in the Athabaska-Wollaston Lake Regions. A detailed ground program to check the anomalous radioactive areas for economic uranium mineralization will be conducted during the current year.

The airborne electromagnetic survey of the Permit area revealed four anomalies, one of which shows electrical characteristics generally associated with massive sulphide ores. A detailed ground check of the conductive zones for economic base metal sulphide mineralization will be carried out during the summer months.

The other phase of endeavour of Newmine Development Ltd. is oil exploration. To date this phase of the Company's activity has been most rewarding. The following is a brief resume of the various projects:

To date five successful wells have been drilled in the South Parkman property in which your Company has a 13½% net interest. Battery facilities have been designed to accommodate additional development. Furthermore, it is planned to perforate additional productive zones of the wells now in production in order to bring the production rate up to maximum permitted. Your Company is now receiving production income from these wells.

On the 11 oil well program in Alberta, Saskatchewan and Manitoba, in which your Company participates by way of a 1½% interest, eleven wells have been drilled. Four are producers, one an indicated producer and six have been abandoned.

A preliminary exploration program as recommended by J. C. Sproule and Associates is planned for the Company's Exploratory Permits in the Horton River Area of the Mackenzie Delta, North West Territories. The Company is endeavouring to arrange a joint venture agreement with a major oil company.

The Company participates by way of a 5% interest in Drilling Reservations 2741 and 2742 in the Stony Lake Anticline region of British Columbia. The participants are endeavouring to arrange a farmout of these Drilling Reservations.

Shareholders are urged to review the Notice and Information Circular and the Company's Financial Statement and Auditor's Report.

RESPECTFULLY SUBMITTED ON BEHALF OF THE BOARD.

NEWMINE DEVELOPMENT LTD. (N.P.L.)
Vancouver, B.C.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual General Meeting of the Shareholders of Newmine Development Ltd. (N.P.L.) (the "Company") will be held in the Banquet Room, Hotel Sylvia, 1154 Gilford Street, Vancouver, B.C. on Thursday, the 30th day of April, 1970 at the hour of 9:00 A.M., Vancouver time, for the following purposes:

1. To receive and consider the Report of the Directors and the financial statements of the Company for the fiscal period ended October 31, 1969, and the auditors' report thereon;
2. To appoint auditors for the ensuing year and to authorize the directors to fix their remuneration;
3. To ratify, confirm and approve all accounts of the Company's Directors and Officers since incorporation on January 6, 1969 as referred to in the Report of the Directors and the financial statements for the period ended October 31, 1969 and the Information Circular accompanying this Notice and as set out in all Minutes of Meetings of the Board of Directors, copies of which are available for inspection by any shareholder of the Company during business hours at the Company's registered office at 4th Floor, 555 Burrard Street, Vancouver, British Columbia.
4. To elect directors for the ensuing year;
5. To confer general authority on the directors to take or acquire shares in other corporations;
6. To transact such other business as may properly come before the meeting.

The financial statements for the fiscal period ended October 31, 1969 and the Auditors' Report thereon and the Directors' Report accompany this Notice.

Shareholders who are unable to attend the meeting in person and wish to ensure that their shares will be voted at the meeting are requested to complete, sign and mail the enclosed form of Proxy in accordance with the instructions set out in the form of Proxy.

An Information Circular accompanies this Notice.

DATED at Vancouver, British Columbia, this 13th day of April, 1970.

BY ORDER OF THE BOARD

D. Alexander Farac,
Secretary.

NEWMINE DEVELOPMENT LTD. (N.P.L.)
Vancouver, B.C.

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation by the Management of NEWMINE DEVELOPMENT LTD. (N.P.L.) ("the Company") of proxies to be used at the Annual General Meeting of Shareholders of the Company to be held on Thursday, April 30, 1970, at 9:00 A.M., Vancouver time, in the Banquet Room, Hotel Sylvia, 1154 Gilford Street, Vancouver, British Columbia, for the purposes set out in the accompanying Notice of Meeting. The cost of the solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are Directors of the Company. A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, either by inserting such person's name in the blank space provided in the form of proxy and striking out the names of Ivan Greg and Gary Schell, or by completing another form of proxy and, in either case, depositing the completed form of proxy at the offices of the Crown Trust Company, 455 Howe Street, Vancouver, B.C. not less than 24 hours before the time of holding the meeting or any adjournment thereof.

Any shareholder who gives a proxy may revoke it by signing a form of proxy bearing a later date or by signing a form of revocation and depositing either document as set out above within the time limit as set out above. A shareholder may also revoke a proxy AT ANY TIME BEFORE IT HAS BEEN VOTED AT THE MEETING, OR, IF THE MEETING BE ADJOURNED, AT ANY RECONVENING THEREOF (i) by written notice of its revocation deposited with the Chairman of the meeting on the day of the meeting or on the day of any such reconvening, or, (ii) by attendance and election to vote in person at the meeting or any such reconvening.

EXERCISE OF DISCRETION BY PROXY

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. IN THE ABSENCE OF SUCH DIRECTION, SUCH SHARES WILL BE VOTED IN FAVOUR OF ITEMS 1, 2, 3, 4 AND 5 OF THE NOTICE OF MEETING. THE ENCLOSED FORM OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN WITH RESPECT TO AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING.

At the time of the printing of this Circular the Management of the Company knows of no amendment or variation to matters identified in the Notice of Meeting or any other matter which will be brought up before the meeting.

VOTING SHARES

As of April 10, 1970 the Company had outstanding as fully paid and non-assessable 1,408,000 common shares with a nominal or par value of 50 Cents each, carrying the right to one vote per share.

To the knowledge of the Directors and Senior Officers of the Company, the following persons own, directly or indirectly, shares carrying more than TEN PERCENT of the voting rights attached to all shares of the Company:

<u>Persons</u>	<u>Shares Owned</u>	<u>Percentage</u>
Gary Schell	474,000	33.6
Ivan Greg	474,000	33.6

Any person or company registered as a shareholder of the Company at the commencement of the meeting shall be entitled to vote at the meeting, however, a person appointed under a form of Proxy will only be entitled to vote the shares represented by that form if it is effectively deposited in the manner set out under the heading APPOINTMENT AND REVOCATION OF PROXIES.

ELECTION OF DIRECTORS

The present Directors of the Company shall retire at the meeting and the persons whose names are set forth below will be nominated for election at the meeting.

The persons named in the enclosed form of Proxy intend to vote for the election of these nominees. The Management does not contemplate that any of the nominees will be unable to stand for election but if that should occur, the persons named in the enclosed form of Proxy reserve the right to vote in their discretion for another nominee. Each Director elected will hold office until the next Annual General Meeting of the Company unless he is earlier removed from office in accordance with the Articles of Association of the Company.

The following table sets out the names of the nominees, all offices of the Company now held by them, their principal occupation, the period of time for which each has been a Director of the Company and the number of shares of the Company beneficially owned by each, directly or indirectly as of April 10, 1970.

<u>Name</u>	<u>Occupation</u>	<u>Date of Appointment as Director</u>	<u>Shares Owned</u>
Gary Schell	President & Director of the Company, Prospector & Professional Engineer with various companies and independently.	March 4, 1969	474,000
Ivan Greg	Director of Company, Prospector, Stockbroker, & Research Analyst	March 4, 1969	474,000

NOTE:- THE INFORMATION AS TO SHARES BENEFICIALLY OWNED AND PRINCIPAL OCCUPATIONS IS NOT WITHIN THE KNOWLEDGE OF THE COMPANY AND HAS BEEN FURNISHED BY THE RESPECTIVE NOMINEES.

REMUNERATION OF MANAGEMENT

Since incorporation, no remuneration has been paid to Directors or senior Officers.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of Proxy intend to vote for the re-appointment of Messrs. Smith and Flynn, Chartered Accountants, Burnaby, British Columbia, as Auditors of the Company to hold office until the next Annual General Meeting of Shareholders. Messrs. Smith & Flynn have been Auditors of the Company since March 4, 1969.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The two Directors of the Company, Ivan Greg and Gary Schell, each received 374,000 shares (which are presently held in escrow) for the Ski 1 to 12 Claims which were transferred to the Company in March of 1969. These Claims were previously acquired by them by locating, staking and recording at a cost of approximately \$200 and their time expended. They also received \$1,240 for the Judy Claims 1 to 40 which is their approximate cost, upon transfer to the Company pursuant to an Agreement dated May 5, 1969. In addition, the Company paid \$1,000 to them for Horton River Permits 6500 to 6503 inclusive pursuant to an Agreement dated April 8, 1969. The cost to them for these Permits was \$1,000.

By Agreement dated December 3, 1969 the Company acquired 38 Claims, Ski 13 to 50, from Ivan Greg and Gary Schell, Directors, for \$1,500 which is the approximate cost for having the Claims staked. These Claims are adjacent to the Company's existing Ski 1 to 12 Claims.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

In November of 1969 the Management of the Company acquired for the Company, at no cost, a 1½% working interest in an 11 oil well program in Alberta, Saskatchewan and Manitoba. The 1½% working interest is only applicable in the event of a well being completed. To earn the interest the Company must pay 1½% of the completion costs from the casing point of the initial well in the project concerned and 1½% of all costs thereafter. The 1½% working interest is 1½% of the interest earned by drilling the initial well in each project. The Company is not required to pay for the drilling to the casing point of the initial well in each project.

In November of 1969 the Company also acquired a 90% interest in Exploratory Permit No. 1 in the Reindeer Mining District, Saskatchewan, containing about 161,700 acres at a cost of \$4,800 and the yearly rental of \$2,910. The Company has an engineer's report on this property indicating that some of the granitic areas show slightly more radioactivity than those in the surrounding area. The report recommends a three phase exploration program to test the uranium potential of this area which the Company plans to implement on completion of financing.

Also in November the Company acquired for \$4,361 a 5% working interest in British Columbia Crown Drilling Reservations 2741 and 2742. The Company is required to pay 5½% of future costs in the exploration of these Reservations in order to maintain its working interest. At present the participants are attempting to arrange a farmout for the exploration of these Reservations.

Shareholders approval of the above contracts and property acquisitions and of the acquisition of the Ski 13 to 50 Claims described under INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS will be requested at the meeting. These contracts and property acquisitions are submitted to a vote of the shareholders because they involved the use of funds for purposes other than those set out in the Company's Prospectus dated August 25, 1969. In the event of a negative vote by the shareholders, the Management of the Company intends to sell the properties acquired in order to return the funds so used to the Company.

The Companies Act of British Columbia provides that the Company may purchase shares in other corporations only if expressly authorized by ordinary resolution of the Company or if given general authorization by ordinary resolution passed at a General Meeting of the Company. Management wishes to obtain from the shareholders a general authorization lasting until the next General Meeting of the Company so that if a favourable opportunity to purchase shares in other corporations should arise it can be acted upon without delay.

DATED this 13th day of April, 1970

Smith & Flynn

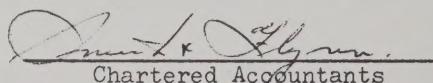
CHARTERED ACCOUNTANTS
#5-4857 KINGSWAY, BURNABY 1, B.C.
434-1232

AUDITORS' REPORT

We have examined the balance sheet of Newmine Development Ltd. (N.P.L.) as at 31 October 1969 and the statement of source and application of funds for the period ended on that date. Our examination included a general review of the accounting procedures and such tests of the accounting records as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and the statement of source and application of funds, when read in conjunction with the notes and schedule thereto, present fairly the financial position of the company as at 31 October 1969 and the results of its operations for the period ended on that date in accordance with generally accepted accounting principles according to the best of our information and the explanations given to us and as shown by the books of the company.

9 April 1970



Chartered Accountants

NEWMINE DEVELOPMENT LTD. (N.P.L.)

BALANCE SHEET AS AT 31 OCTOBER 1969

ASSETS

CURRENT ASSETS

Cash	\$ 36,397.00
Bank term deposit	75,000.00
Accounts receivable	<u>1,354.06</u>
	\$ 112,751.06
MINING CLAIMS, at cost (Note 1)	375,240.00
OIL AND GAS RIGHTS, at cost (Note 1)	38,470.34
DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES - Schedule 1 (Note 1)	33,050.30
INCORPORATION EXPENSE	<u>1,728.31</u>
	\$ 561,240.01

LIABILITIES AND SHARE CAPITAL

CURRENT LIABILITIES

Accounts payable	\$ 8,740.01
Advances from director	<u>15,000.00</u>
	\$ 23,740.01

SHARE CAPITAL

Authorized - 4,000,000 shares with a nominal or par value of 50¢ per share	\$ 2,000,000.00
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Issued (Note 2)

	FOR PROPERTIES	FOR CASH	TOTAL
Number of shares	<u>748,000</u>	<u>660,000</u>	<u>1,408,000</u>
Par value	\$ 374,000.00	\$ 330,000.00	\$ 704,000.00
Less - Discount		(160,000.00)	(160,000.00)
Commission	<u>374,000.00</u>	<u>163,500.00</u>	<u>537,500.00</u>

Approved on behalf of the Board

GARY SCHELL, Director

IVAN GREGG, Director

\$ 561,240.01

NEWMINE DEVELOPMENT LTD. (N.P.L.)

NOTES TO FINANCIAL STATEMENTS

31 OCTOBER 1969

1. The amounts shown for mining claims, oil and gas rights and deferred exploration, development and administrative expenses represent amounts expended to date and are not intended to reflect present or future values.
2. 748,000 shares are held in escrow to be released only with the consent of the Superintendent of Brokers of British Columbia.
3. The company has issued a promissory note to the Receiver General of Canada in the amount of \$8,109.20. The due date of the note is 30 November 1970 provided however that if the company has expended at least that amount on development of certain exploratory permits prior to 29 July 1970 then no payment shall be required.
4. Material events subsequent to 31 October 1969
 - (a) By resolution of the Board of Directors passed on 3 November 1969 an undivided 90% interest in exploratory permit number 1 in the Province of Saskatchewan was acquired from Pheasant Exploration Ltd. at a cost of \$4,800.00.
 - (b) By resolution of the Board of Directors passed on 12 November 1969 a 5% interest in B. C. Drilling Reservations #2741 and #2742 was acquired from Petrolex Oils Ltd. at a cost of \$4,361.13 plus 5 1/2% of future development costs.
 - (c) By resolution of the Board of Directors passed on 2 December 1969 38 mineral claims in the Kamloops Mining Division were acquired from Ivan Greg and Gary Schell at a cost of \$1,500.00.

NEWMINE DEVELOPMENT LTD. (N.P.L.)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE PERIOD FROM 6 JANUARY 1969 (DATE OF INCORPORATION)

TO 31 OCTOBER 1969

SOURCE OF FUNDS

Sale of shares		
400,000 shares at 10¢ per share	\$ 40,000.00	
260,000 shares at 47.5¢ per share	<u>123,500.00</u>	
	163,500.00	
Production of oil	<u>2,264.50</u>	\$ 165,764.50

APPLICATION OF FUNDS

Oil and gas rights	38,470.34
Exploration, development and administrative expenses	35,314.80
Mining claims	1,240.00
Incorporation expense	<u>1,728.31</u>
WORKING CAPITAL - 31 OCTOBER 1969	<u>76,753.45</u>
	\$ 89,011.05

NEWMINE DEVELOPMENT LTD. (N.P.L.)

SCHEDULE OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES

FOR THE PERIOD FROM 6 JANUARY 1969 (DATE OF INCORPORATION)

TO 31 OCTOBER 1969

EXPLORATION AND DEVELOPMENT

OIL AND GAS LEASES

Dry hole costs	\$ 9,000.00
Engineering reports	<u>722.65</u>
	9,722.65
Less - Production revenue	2,264.50
	\$ 7,458.15

MINING CLAIMS

Polarization survey	5,175.00
Cutting and chaining grid	2,000.00
Engineering reports	1,679.20
Prospecting	969.70
	9,823.90

GENERAL.

Consultants' fees and expenses	4,428.12
Free miners licences	410.00
Maps	131.07
	4,969.19
	\$ 22,251.24

ADMINISTRATIVE

Travel	1,999.33
Office and telephone	1,280.40
Legal fees	6,954.00
Audit fees	350.00
Interest and bank charges	197.83
Miscellaneous	<u>17.50</u>
	<u>10,799.06</u>
	\$ 33,050.30

